



Barnet Draft Local Plan
Publication Stage Representations Form

Ref:

(For official use
only)

PART B - Your representation

Please complete a separate Part B for each representation and return along with a single completed Part A.

Question 1: To which part of the Local Plan does your representation relate?

Representations must be made on a specific policy or part of the Plan, please state the policy number, paragraph number, figure/table or Policies Map designation.

Policy **Policy HOU 01: Affordable Housing**

Question 2: Do you consider that this part of the Local Plan is:

Tick all that apply, please refer to the guidance note for an explanation of these terms.

- | | |
|--|------------------------------|
| a) Legally compliant | No <input type="checkbox"/> |
| b) Sound | No <input type="checkbox"/> |
| c) Compliant with the Duty to Co-operate | Yes <input type="checkbox"/> |

Question 3: Please give details of why you consider this part of the Local Plan is not legally compliant, is unsound, or fails to comply with the duty to co-operate.

Please be as precise as possible. If you wish to support the legal compliance or soundness of the Plan, or its compliance with the duty to co-operate, please also use this box to set out your comments.

Affordable Housing requirements in the Barnet Local Plan are linked to the corresponding policies in the London Plan – namely *Policy H4: Delivering affordable housing*. This sets a strategic target of 50% of all new homes in London to be ‘genuinely affordable’ with a 35% affordable housing requirement for residential developments that fulfil the requirements of the threshold approach detailed in *Policy H5: Threshold approach to applications*

Policy HOU 01: Affordable Housing seeks a minimum of 35% affordable housing from all developments of 10 or more dwellings, across the Borough, in line with the threshold approach.

The wording of *Policy HOU 01* and its supporting text makes it clear that a non-policy compliant level of affordable housing will only be allowed in exceptional circumstances stating that:

5.4.10 The Council sets out in Policy HOU01 its minimum requirements for affordable housing. Any deviation from the minimum 35% provision that is not consistent with the required tenure mix will need to be fully justified through a policy compliant viability assessment...

It is clear from the wording of the policy and its justification that the Local Authority is cognisant of the increased emphasis on Local Plan viability testing in Paragraph 54 of the NPPF. Given the Council’s stance towards developer contributions and affordable housing, we find aspects of the evidence base underpinning these policies to be concerning.

The affordable housing targets detailed in the above policy are informed by the *Barnet Local Plan Viability Study* undertaken by the BNP Paribas and the *London Plan Viability Study* (2017) and its corresponding addendum (2018) undertaken by Three Dragons and Turner & Townsend.

In reviewing the *Barnet Local Plan Viability Study* we note that no viability appraisals were undertaken for specialist older persons' housing typologies – namely Sheltered Housing and Extra Care accommodation. This is disappointing and considered to be contrary to both best practice and the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG which states that. "A *typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.*

This would mean that the viability evidence underpinning the 35% affordable housing requirement is that of the London Plan.

The respondents, as part of a Retirement Housing Consortium, have consistently voiced their concerns about the Mayor of London's threshold approach and the viability evidence underpinning this. These concerns were presented during the EiP, however despite the Examiners acknowledging our concerns the *London Plan Examination in Public: Panel Report* (October 2019) concluded that

222. *'The threshold requirements for affordable housing have been challenged, on the basis of the higher build costs compared with mainstream housing. This is reflected in the findings of the LPVS, which indicates that viability for sheltered and extra care housing is more difficult in lower value areas. Further the case studies tested for this type of housing in the LPVS do not reflect industry practice. For these reasons, we are not convinced that viability would not hamper delivery. However, in light of the significant need for affordable homes and given that the "viability tested route" is available to assess the impact of viability on affordable housing requirements, it is worth waiting to assess the impact of this new policy approach. However, close monitoring should take place to ensure that the impacts are properly assessed and fed into any review*

This 'wait and see' approach does not accord with the increased emphasis for the viability of planning obligations to be tested, robustly, at the Plan making stage. The London Plan was assessed with regard to the policies in the 2012 version of the NPPF, and other relevant policy under the transitional arrangements detailed in NPPF (2019) paragraph 214 and footnote 69. It was not assessed against the revisions to the NPPF made in 2018, 2019 or 2021.

The London Plan's approach, particularly in respect of development viability and affordable housing contributions, is not considered to be consistent with that of the NPPF (2021). While the respondents will not reiterate the point made in their submissions to the London Plan, they remain strongly of the view that the viability assessments for older persons' housing typologies in the *London Plan Viability Study* were not fit for purpose and substantially overstated the viability of these forms of development.

Notwithstanding the respondents concerns with *The London Plan Viability Study*, we note that it concluded that the viability of older persons' housing was considered to be particularly finely balanced in the outer London Boroughs (Value Bands D & E):

Other residential development types

14.2.11 *This group of uses includes specialist provision for the elderly and others needing sheltered or extra care facilities and for care homes. It also includes student accommodation and another relatively new form of provision – Shared Living. Generally, all these types of uses are viable and able to provide affordable housing (when required to do so). However, there are considerable differences in viability between the uses. The policy requirements for student accommodation and Shared Living can be met across the value areas. Sheltered housing is able to provide 50% affordable housing in Value Band C, but not in D or E. Extra care, as was tested for this study, was viable with 35% affordable housing in C but not in D or E. (Emphasis own)*

The need for specialist older persons' housing across Greater London is detailed in *Table 4.3 of the London Plan* which requires the Borough 275 units of specialist older persons' accommodation per annum. The Barnet SHLAA goes on to further assess this need and breaks it down into type of accommodation detailed in *Table 8 – Additional Modelled demand for Older Persons Housing up to 2036* in the supporting text for *Policy HOU 04: Specialist Housing* of the Barnet Local Plan review.

Barnet's Annual Monitoring Reports (AMR) do not currently monitor the delivery of specialist older persons' housing in the Borough. The *Knight Frank Senior Housing Update 2021* is however a useful reference in this respect and highlights the London Plan target for an additional 4,115 units of specialist older persons' housing per year across the capital up to 2029. Since the start of the London Plan timeline in 2017 however, only 3,000 seniors housing units have been delivered – less than the requirement for one year. There are a further 1,600 further units either under construction or with planning granted across Greater London, which will do little to address the shortfall.

In light of the urgent need to significantly increase the delivery of specialist older persons' housing in the Borough and across Greater London, we consider that it is imperative that the viability of these forms of development is careful robustly against planning obligations and policy requirements

Mindful of the guidance in the PPG that is the responsibility of site owners and developers to engage in the Plan making process – McCarthy Stone and Churchill Retirement Living have provided a separate document with viability appraisals for sheltered and extra care older persons' housing typologies. **It concludes that these forms of development are not able to provide an affordable housing contribution on previously developed land in the Authority.**

The PPG makes it clear that '*Different requirements may be set for different types or location of site or types of development*' (Paragraph: 001 Reference ID: 10-001-20190509). We are strongly of the view that it would be more appropriate to set a lower, potentially nil, affordable housing target for sheltered and extra care accommodation in the Borough.

We are of the view that as The London Plan was assessed against the NPPF (2012) and the Barnet Local Plan Review will be determined against the NPPF (2021), with its increased emphasis on robust viability assessments at the plan making stage, it is the Borough's responsibility to ensure its planning obligations regime is sufficiently robust and justified.

The Local Plan is therefore considered to be unsound on the grounds the affordable housing targets are not justified, positively prepared or effective.

Continue on a separate sheet if necessary

Question 4: Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect to the matters you have identified in Question 3 above. Please note that non-compliance with the duty to co-operate is incapable of modification at examination. You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

The respondents as part of a Retirement Housing Consortium have consistently voiced their concerns about the affordable housing threshold approach and the viability evidence underpinning this in the London Plan.

As the Barnet Local Plan Review will be determined against the NPPF (2021), with its increased emphasis on robust viability assessments at the plan making stage, it is the Borough's responsibility to ensure its planning obligations regime is sufficiently robust and justified.

The evidence we have provided in our viability appraisals for Sheltered Housing and Extra Care Housing typologies, concludes that these forms of development should be exempt from affordable housing provision.

Continue on a separate sheet if necessary

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Question 5: If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing sessions?

Yes, I wish to participate in hearing session(s)

Question 6: If you wish to participate at the examination hearings, please outline why you consider this to be necessary.

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Aspects of the approach detailed in the Local Plan Review are of significant concern and warrant further scrutiny should they not be amended prior to Examination in Public.

McCarthy Stone and Churchill Retirement Living would welcome the opportunity to engage and reach agreement on these matters with Council Officers.

Declaration of consent

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Signature _____ *aj child* _____ Date _____
_____ 08/08/21 _____



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PART B - Your representation

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Question 1: To which part of the Local Plan does your representation relate?

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Policy: **Policy HOU 02 Housing Mix**

Policies Map designation _____

Question 2: Do you consider that this part of the Local Plan is:

Tick all that apply, please refer to the guidance note for an explanation of these terms.

- a) Legally compliant
- b) Sound No
- c) Compliant with the Duty to Co-operate No

Question 3: Please give details of why you consider this part of the Local Plan is not legally compliant, is unsound, or fails to comply with the duty to co-operate.

Please be as precise as possible. If you wish to support the legal compliance or soundness of the Plan, or its compliance with the duty to co-operate, please also use this box to set out your comments.

The policy stipulates development should provide a mix of dwelling types and sizes in order to meet the diverse housing needs of the Borough. The policy and its supporting text then go on to detail the current housing priorities in the Borough which are 'family sized housing' i.e. two, three and four bedroom homes.

Paragraph 5.5.6 in the supporting text for this policy recognises that older residents downsizing releases under-occupied family housing and stresses that well designed new homes in, or close to, town and local centres can be encourage this.

While we recognise that downsizers may not necessarily choose specialist older persons' housing, the enhanced level of services and communal facilities are more beneficial as frailty increases in later life. The cost of providing and maintaining these communal services and facilities is the principal reasons why specialist older persons' housing cannot provide a mix of house types in-block.

The requirement to provide a mix of house types in block cannot apply to specialist older persons' housing accordingly and the wording of the policy and its supporting text should be amended to reflect this.

Continue on a separate sheet if necessary

Question 4: Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect to the matters you have identified in Question 3 above.

Please note that non-compliance with the duty to co-operate is incapable of modification at examination. You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

To address the concerns detailed in our representation we would suggest the following **amendments** to Policy HOU 02 and its supporting text.

Policy HOU02 Housing Mix

...

In applying the preferred housing mix the Council will consider the following criteria:

c) Site size, surrounding context (including town centre location), PTAL and character.

d) Mix of uses.

e) Range of tenures.

f) Potential for custom-build and community led schemes.

*Innovative housing products that meet the requirements of this Policy will be supported. **The Borough recognises that providing a mix of housing types may not be feasible in specialist housing***

Continue on a separate sheet if necessary

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Question 5: If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing sessions?

No, I do not wish to participate in hearing session(s)

Question 6: If you wish to participate at the examination hearings, please outline why you consider this to be necessary.

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PART B - Your representation

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Question 1: To which part of the Local Plan does your representation relate?

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Policy Policy HOU 03 – Residential Conversions and Redevelopment of Larger Homes

Question 2: Do you consider that this part of the Local Plan is:

Tick all that apply, please refer to the guidance note for an explanation of these terms.

- a) Legally compliant No
- b) Sound No
- c) Compliant with the Duty to Co-operate Yes

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The policy looks to manage the housing stock in the Borough by placing a presumption against the conversion of existing dwellings into flats or Houses in Multiple Occupations (HMO), or their demolition and redevelopment unless specific criteria can be met. This policy is of interest to the respondents who do acquire and redevelop residential land, either individual plots or land assemblies, in order to bring forward specialist older persons' housing.

Of the criteria for the conversion and redevelopment of residential properties, the majority are concerned with ensuring that new dwellings meet the required design or parking standards. Sub-clause a) however limits redevelopment to locations within 400metres or 0.25 miles of a town or local centre, or, it is located in an area with a PTAL of 5 or more.

The respondents appreciate the benefits of being near town centres and understand how this facilitates the continued independence of older people and typically acquire sites within 0.5 miles (800 metres) of town and local centres. Both Companies have brought forward successful specialist older persons' housing developments within 0.5 miles of town and local centres and duly consider limiting the redevelopment of larger residential properties to within 0.25miles of such centres to be overly restrictive. Sub-clause will limit opportunities for redevelopment in locations which can be reasonably considered to be sustainable.

Indeed, by restricting redevelopment to such a limited area within the Borough the policy is contrary to the principles of *Chapter 11. Making Effective Use of Land* in the NPPF which states that Plans and decisions should ‘*promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used*’ (Paragraph 120 d). This aspect of the policy is unsound accordingly.

Continue on a separate sheet if necessary

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To address the concerns detailed in our representation we would suggest the following amendments to Policy HOU 03.

a) It is located within ~~400 metres~~ walking distance of a major or district town centre (in accordance with Policy TOW01) or it is located in an area with a PTAL of 5 or more.

Continue on a separate sheet if necessary

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Question 5: If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing sessions?

Yes, I wish to participate in hearing session(s)

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Aspects of the approach detailed in the Local Plan Review are of significant concern and warrant further scrutiny should they not be amended prior to Examination in Public.

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PART B - Your representation

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Question 1: To which part of the Local Plan does your representation relate?

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Policy Policy HOU_04: Specialist Housing – Housing choice for people with social care and health support needs, Houses in Multiple Occupation, Student Accommodation and Purpose Built Shared Living Accommodation

Question 2: Do you consider that this part of the Local Plan is:

Tick all that apply, please refer to the guidance note for an explanation of these terms.

- a) Legally compliant No
- b) Sound No
- c) Compliant with the Duty to Co-operate Yes

Question 3: Please give details of why you consider this part of the Local Plan is not legally compliant, is unsound, or fails to comply with the duty to co-operate.

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McCarthy Stone and Churchill Retirement Living are independent and competing housebuilders specialising in sheltered housing for older people. Together, we are responsible for delivering approximately 90% of England's specialist owner-occupied retirement housing.

Paragraph 1 of the PPG Housing for Older and Disabled people states:

"The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. Offering older people, a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking".

Paragraph: 001 Reference ID: 63-001-20190626

The Local Plan acknowledges that the demographic profile of Barnet is set to increase over the Plan period and references *Table 4.3 of the London Plan* which requires the Borough 275 units of specialist older persons' accommodation per annum. Paragraph 5.10.6 and *Table 8 – Additional Modelled demand for Older Persons Housing up to 2036* further break down the London Plan target into types of accommodation and tenure.

The greatest need in Table 8 is for Leasehold Schemes for the Elderly (LSE). The terminology employed in Table 8 is taken from the SHMA which utilises the methodology employed to assess need by the Housing the Housing LIN Older People Resource Pack 2012) However the SHMA uses different terminology in part to Housing Lin and this is misleading.

- A) The Plan refers to “Traditional Sheltered” whereas Housing LIN refers to “Conventional sheltered housing to rent”
- B) The plan refers to “leasehold Schemes for the elderly” whereas Housing LIN refers to “Leasehold sheltered housing”

Whilst the respondents would suggest that use of the word “sheltered” is somewhat out of date and retirement housing is preferred, the Housing LIN terminology should be employed.

It is “leasehold Schemes for the elderly/Leasehold sheltered housing” together with enhanced sheltered that is considered by the respondents to be housing without the provision of significant on-site care facilities and accounts for a substantial proportion of the older persons’ housing requirement (at least 52%). The focus of Policy HOU 04 and its supporting text is however the delivery of supported accommodation, or housing with care.

‘Traditional sheltered’, and potentially Leasehold Schemes for the Elderly, is considered by the respondents to be housing without the provision of on-site care facilities and accounts for a substantial proportion of the older persons’ housing requirement (at least 23%). The focus of *Policy HOU 04* and its supporting text is however the delivery of supported accommodation, or housing with care.

We commend the manner in which the housing needs of older people have been comprehensively addressed in the *Policy HOU 04*, however the intention of *London Plan Policy H13* is increase the supply of a wider type of older persons housing, including ‘sheltered’ housing, and not just housing with care typologies. We are therefore suggesting amendments to the recommendations in *Policy HOU 04* so that it encourages the delivery of all forms of specialist older persons’ housing.

We also note that subclause 1a) requires older persons’ housing to demonstrate an identified need to help people live independently. This need is however self-evident and has already been established as significant in both the *London Plan* and the *Barnet SHLAA*.

We also note the requirement in subclause 1 d) for specialist older persons’ care facilities to be located within 400metres (0.25 miles) of a town or local centre. The respondents appreciate the benefits of being near town centres and understand how this facilitates the continued independence of older people and typically acquire sites within 0.5 miles (800 metres) of town and local centres. Both Companies have brought forward successful specialist older persons’ housing developments within 0.5 miles of town and local centres and duly consider the requirement be within 0.25miles be both onerous and unjustified.

We would also, respectfully, highlight, that despite the largely positive manner which *Policy HOU 04* addresses the Housing Needs of the elderly, it is undermined by the lack of consideration given to older persons’ housing typologies in *Policy HOU 01: Affordable Housing* and the *Barnet Local Plan Viability Study Report*. This matter is addressed comprehensively in our representation to *Policy HOU 01* and in our supporting viability appraisal.

Continue on a separate sheet if necessary

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To address the concerns detailed in our representation we would suggest the following amendments to Policy HOU 04.

1: Housing Choice for Older People and people with social care and health support needs

Proposals for specialist older persons' housing and people with social care and health support needs should:

- (a) ~~In meeting an identified need help people to live independently;~~
- (b) Deliver older persons housing as guided by the London Plan indicative benchmark of 275 new specialist older persons homes per annum and the tenure priorities set out in Table 8;
- (c) Demonstrate that they will not have a harmful impact on the character and amenities of the surrounding area;
- (d) Be within ~~400m~~ walking distance of local shops and easily accessible by public transport **with the exception of specialist residential care facilities;**
- (e) Provide adequate communal facilities including accommodation for essential staff on site;
- (f) Deliver affordable and accessible accommodation in accordance with London Plan policies H4, H5 and D7 Support the remodelling of residential care homes to other forms of special accommodation in order to widen housing choice, support healthy and independent lives and to reduce over supply; and
- (g) ensure that vulnerable residents benefit from housing choice and that additional residential care home provision is only supported when evidence of local need can be demonstrated

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_____ 08/08/21 _____



Barnet Draft Local Plan
Publication Stage Representations Form

Ref:

(For official use
only)

PART B - Your representation

Please complete a separate Part B for each representation and return along with a single completed Part A.

Question 1: To which part of the Local Plan does your representation relate?

Representations must be made on a specific policy or part of the Plan, please state the policy number, paragraph number, figure/table or Policies Map designation.

Policy: Policy CHW 02 – Promoting Health & Wellbeing

Question 2: Do you consider that this part of the Local Plan is:

Tick all that apply, please refer to the guidance note for an explanation of these terms.

- | | |
|--|-----|
| a) Legally compliant | Yes |
| b) Sound | Yes |
| c) Compliant with the Duty to Co-operate | Yes |

Question 3: Please give details of why you consider this part of the Local Plan is not legally compliant, is unsound, or fails to comply with the duty to co-operate.

Please be as precise as possible. If you wish to support the legal compliance or soundness of the Plan, or its compliance with the duty to co-operate, please also use this box to set out your comments.

We welcome the Council's commitment to the health and wellbeing of its residents. As detailed in our representation to *Policy HOU04 – Specialist Housing*, the demographic profile of the Borough is ageing with a requirement for 275 units of specialist older persons' accommodation per annum.

An ageing population inevitably results in an increase in frail individuals and persons with long term health issues. There is a commensurate pressure on care and health services accordingly with many local authorities spending over a third of their budgets on adult social care currently.

It is well established that poor housing can exacerbate health problems in old age, with enormous resultant costs to the NHS and social care. For example:

Falls - Public Health England statistics show that in 2017/18 falls accounted for 335,000 hospital admissions in England of people aged 65 and over.

Cold Homes - Millions of older people in the UK are living in homes that are too cold. A cold home can cause chronic and acute illnesses and lead to reduced mobility, falls and depression.

Social Isolation - 1.5 million people aged 50 and over are always or often lonely, researchers have calculated. Loneliness makes it harder for people to regulate behaviours such as drinking, smoking, and over-eating, which in turn have their own significant negative outcomes.

Specialist older persons' housing has been developed with the needs of the elderly in mind, enabling them to remain independent for longer. These homes are designed to be warm and with features to alleviate the physical impact of ageing (such as level access throughout) and offer opportunities for residents to access support, care, and companionship. The recently published *Healthier and Happier Report* by WPI Strategy (September 2019) calculated **that the average person living in specialist housing for older people saves the NHS and social services £3,490 per year.**

The Council's aspirations to improve the health and wellbeing of its residents is commendable and we are strongly of the view that increasing the delivery of specialist older persons' housing is wholly aligned with this objective.

Continue on a separate sheet if necessary

Question 4: Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect to the matters you have identified in Question 3 above. Please note that non-compliance with the duty to co-operate is incapable of modification at examination. You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

Recommendations

1. We recommend that the role of specialist older persons' housing in improving the health and wellbeing of the Borough's elderly residents is acknowledged in the wording of this policy.

As a suggestion we would recommend an additional sub-clause to the policy which reads as follows:

- Ensure that the needs of the Borough's ageing population are addressed, and that older people have increased access to support, care, companionship, and appropriate accommodation.*

Continue on a separate sheet if necessary

Please note:

In your representation you should summarise succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.

After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues they identify for examination.

Question 5: If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing sessions?

No, I do not wish to participate in hearing session(s) I am not seeking modification to the Plan

Question 6: If you wish to participate at the examination hearings, please outline why you consider this to be necessary.



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PART B - Your representation

Please complete a separate Part B for each representation and return along with a single completed Part A.

Question 1: To which part of the Local Plan does your representation relate?

Representations must be made on a specific policy or part of the Plan, please state the policy number, paragraph number, figure/table or Policies Map designation.

Policy Policy ECC01 – Mitigating Climate Change

Question 2: Do you consider that this part of the Local Plan is:

Tick all that apply, please refer to the guidance note for an explanation of these terms.

- | | |
|--|------------------------------|
| a) Legally compliant | No <input type="checkbox"/> |
| b) Sound | No <input type="checkbox"/> |
| c) Compliant with the Duty to Co-operate | Yes <input type="checkbox"/> |

Question 3: Please give details of why you consider this part of the Local Plan is not legally compliant, is unsound, or fails to comply with the duty to co-operate.

Please be as precise as possible. If you wish to support the legal compliance or soundness of the Plan, or its compliance with the duty to co-operate, please also use this box to set out your comments.

The Council's commitment to meeting both its and the UK Government's target of net zero carbon emissions by 2050 is commendable and detailed at length in the justification to *Policy ECC 01*.

The requirement for all major development to be net zero carbon detailed in sub-clause d) of *Policy ECC 01* are linked to the corresponding policies in the London – namely *Policy SI 2: Minimizing Greenhouse Gases* *Policy SI 3: Energy Infrastructure*.

Government has recently finished consulting on interim changes in both Part F and Part L of the Building Standards through the second consultation on *The Future Buildings Standards* and it is clear the energy efficiency requirements for domestic and non-domestic buildings will increase sharply in the coming years. At present it is expected that new homes built from 2022 will need to produce 31% less carbon emission than the current Building Regulations. Given the Government's clear commitment and incremental progress towards achieving net zero, the respondents challenge the wisdom of implementing significantly enhanced sustainability measures particularly when balanced against other local plan priorities – for example affordable housing.

In the *Barnet Local Plan Viability Study (2021)* (LPVS) allows for an uplift of between 1.48% to 6.52% of build costs for residential to cover the cost of climate change policies with the latter more representative in their experience of bringing development forward.

The LPVS advises that “Where viability is already on the margins, other policy requirements may need to be reduced in order to compensate for these costs. In lower value areas, there may be a need for a trade-off of affordable housing to accommodate the higher climate change costs.”

Development typologies where the viability is more finely balanced, such as specialist older persons’ housing, will therefore struggle disproportionately to provide the enhanced sustainability standards and affordable housing.

Continue on a separate sheet if necessary

Question 4: Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect to the matters you have identified in Question 3 above. Please note that non-compliance with the duty to co-operate is incapable of modification at examination. You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

The respondents have consistently stated that the viability evidence underpinning the London Plan was not fit for purpose, particularly in respect of specialist older persons’ housing typologies.

The enhanced design and sustainability standards as required in the London Plan are not feasible as the evidence base supporting the policies is not credible.

Continue on a separate sheet if necessary

Please note:

In your representation you should summarise succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.

After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues they identify for examination.

Question 5: If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing sessions?

Yes, I wish to participate in hearing session(s)

Question 6: If you wish to participate at the examination hearings, please outline why you consider this to be necessary.

Please note that the inspector will make the final decision as to who is necessary to participate in hearing sessions, and to which hearing session(s) they should attend, and they will determine the most appropriate procedure to adopt to hear those who wish to participate at the examination hearings.

Aspects of the approach detailed in the Local Plan Review are of significant concern and warrant further scrutiny should they not be amended prior to Examination in Public.

McCarthy Stone and Churchill Retirement Living would welcome the opportunity to engage and reach agreement on these matters with Council Officers.

Declaration of consent

The personal information you provide on this form will be processed in accordance with General Data Protection Regulations 2018 (GDPR). The information you provide will only be used for the purposes of the preparation of the Local Plan as required by the Planning and Compulsory Purchase Act 2004 (as amended), and may be used by the Council to contact you if necessary, regarding your submission. Your name, name of organisation, and comments, will be made available for public inspection when displaying and reporting the outcome of the statutory consultation stage and cannot be treated as confidential. You will not be asked for any unnecessary information and we will not publish any personal data beyond what is stated in this declaration.

Your details will be kept in accordance with the Council's Privacy Notice, until the Local Plan is adopted plus a further five years to evidence that a fair and transparent process has been followed. Processing is kept to a minimum and data will only be processed in accordance with the law. We will take all reasonable precautions to protect your personal data from accidental or deliberate loss or unauthorised disclosure.

The Council's Privacy Notice can be viewed at <https://www.barnet.gov.uk/your-council/policies-plans-and-performance/privacy-notices>

The legal basis which enables the Council to process your data for this purpose is consent from the data subject (you) under Article 6, paragraph (a) of the GDPR. Information provided will be stored in accordance with the Council's retention and disposal guidelines.

By completing and signing this form I agree to my name, name of organisation, and representations being made available for public inspection on the internet, and that my data will be held and processed as detailed above, in accordance with the Council's Privacy Notice:

Signature _____ *aj child* _____
_____ 08/08/21 _____

Date

REVIEW OF LOCAL PLAN VIABILITY ASSESSMENT

FOR SHELTERED & EXTRA CARE HOUSING

LONDON BOROUGH OF BARNET
LOCAL PLAN REVIEW (REGULATION 19 CONSULTATION)

AUGUST 2021

Contents

- 1. Introduction..... 1
- 2. Review of Local Plan Viability Study 1
- 2.2 *Older Persons’ Housing Typologies*..... 1
- 3. Viability Appraisal Inputs 3
- 3.1 *Introduction* 3
- 3.2 *Unit Sizes* 3
- 3.3 *Sales Values* 3
- 3.4 *Unit Mix* 4
- 3.5 *Base Build Cost*..... 4
- 3.6 *Sales Rate* 5
- 3.7 *Gross to Net*..... 5
- 3.8 *Benchmark Land Value* 5
- 3.9 *Profit*..... 6
- 3.10 *Empty Property Costs*..... 6
- 3.11 *Sales & Marketing Costs* 6
- 3.12 *CIL & s106 costs* 7
- 3.13 *Costs of Implementing Policies*..... 7
- Table with Comparison of Viability Inputs 8
- 4. Results 9
- 4.1 *Older Persons’ Housing Typologies*..... 9
- 4.2 *Commentary on LPTVR Results*..... 9
- 5. Conclusion 10

1. Introduction

- 1.1.1 This supporting statement has been prepared on behalf of McCarthy Stone and Churchill Retirement Living, two independent and competing housebuilders specialising in housing for older people. Together, they are responsible for delivering approximately 90% of England’s specialist owner-occupied retirement housing.
- 1.1.2 In this statement we critically appraise the evidence underpinning the affordable housing targets detailed in *Policy HOU 01- : Affordable Housing of the Barnet Local Plan Review (Regulation 19 Consultation)* – namely the *Barnet Local Plan Viability Study* (LPVS) undertaken by BNP Paribas.
- 1.1.3 This Statement is a focused document underpinning our representations to the *Barnet Local Plan* Regulation 19 consultation on *Policy HOU 01*. In the interest of brevity, it does not comprehensively cover Government policy on viability in Plan preparation or detail the residual land appraisal methodology at length. These matters are covered in the LPVS.

2. Review of Local Plan Viability Study

- 2.1.1 *Policy HOU 01: Affordable Housing* seeks a minimum of 35% affordable housing from all developments of 10 or more dwellings, across the Borough, in line with the threshold approach.
- 2.1.2 The wording of Policy HOU 01 and its supporting text makes it clear that a non-policy compliant level of affordable housing will only be allowed in exceptional circumstances stating that:

5.4.10 The Council sets out in Policy HOU01 its minimum requirements for affordable housing. Any deviation from the minimum 35% provision that is not consistent with the required tenure mix will need to be fully justified through a policy compliant viability assessment...
- 2.1.3 Given the Council’s intention that the viability of any individual schemes should be considered only in exceptional circumstances it is critical to ensure that the evidence base underpinning the approach set out in the Plan is sound. For the reasons set out below, we are strongly of the view that it is not.

2.2 Older Persons’ Housing Typologies

- 2.2.1 The affordable housing targets detailed in the above policy are informed by the *Barnet Local Plan Viability Study* undertaken by the BNP Paribas and the *London Plan Viability Study* (2017) and its corresponding addendum (2018) undertaken by Three Dragons and Turner & Townsend.
- 2.2.2 In reviewing the *Barnet Local Plan Viability Study* we note that no viability appraisals were undertaken for specialist older persons’ housing typologies – namely Sheltered Housing and Extra Care accommodation. This is disappointing and considered to be contrary to both best practice and the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG which states that. “A typology approach is a process plan makers can follow to ensure that they are creating realistic, [deliverable policies](#) based on the type of sites that are likely to come forward for development over the plan period.
- 2.2.3 This would mean that the viability evidence underpinning the 35% affordable housing requirement is that of the London Plan.
- 2.2.4 The respondents, as part of a Retirement Housing Consortium, have consistently voiced their concerns about the Mayor of London’s threshold approach and the viability evidence underpinning this. These concerns were presented during the EiP, however despite the Examiners acknowledging our position the *London Plan Examination in Public: Panel Report* (October 2019) concluded that

222 *‘The threshold requirements for affordable housing have been challenged, on the basis of the higher build costs compared with mainstream housing. This is reflected in the findings of the LPVS, which indicates that viability for sheltered and extra care housing is more difficult in lower value areas. Further the case studies tested for this type of housing in the LPVS do not reflect industry practice. For these reasons, we are not convinced that viability would not hamper delivery. However, in light of the significant need for affordable homes and given that the “viability tested route” is available to assess the impact of viability on affordable housing requirements, it is worth*

waiting to assess the impact of this new policy approach. However, close monitoring should take place to ensure that the impacts are properly assessed and fed into any review

- 2.2.5 This 'wait and see' approach does not accord with the increased emphasis for the viability of planning obligations to be tested, robustly, at the Plan making stage. The London Plan was assessed with regard to the policies in the 2012 version of the NPPF, and other relevant policy under the transitional arrangements detailed in NPPF (2019) paragraph 214 and footnote 69. It was not assessed against the revisions to the NPPF made in 2018, 2019 or 2021.
- 2.2.6 The London Plan's approach, particularly in respect of development viability and affordable housing contributions, is not considered to be consistent with that of the NPPF (2021). While the respondents will not reiterate the point made in their submissions to the London Plan, they remain strongly of the view that the viability assessments for older persons' housing typologies in the *London Plan Viability Study* were not fit for purpose and substantially overstated the viability of these forms of development.
- 2.2.7 Notwithstanding the respondents concerns with *The London Plan Viability Study*, we note that it concluded that the viability of older persons' housing was considered to be particularly finely balanced in the outer London Boroughs (Value Bands D & E):

Other residential development types

14.2.11 This group of uses includes specialist provision for the elderly and others needing sheltered or extra care facilities and for care homes. It also includes student accommodation and another relatively new form of provision – Shared Living. Generally, all these types of uses are viable and able to provide affordable housing (when required to do so). However, there are considerable differences in viability between the uses. The policy requirements for student accommodation and Shared Living can be met across the value areas. Sheltered housing is able to provide 50% affordable housing in Value Band C, but not in D or E. Extra care, as was tested for this study, was viable with 35% affordable housing in C but not in D or E. (Emphasis own)

- 2.2.8 The need for specialist older persons' housing across Greater London is detailed in *Table 4.3 of the London Plan* which requires the Borough 275 units of specialist older persons' accommodation per annum. The *Barnet SHLAA* goes on to further assess this need and breaks it down into type of accommodation detailed in *Table 8 – Additional Modelled demand for Older Persons Housing up to 2036* in the supporting text for *Policy HOU 04: Specialist Housing* of the Barnet Local Plan review.
- 2.2.9 Barnet's Annual Monitoring Reports (AMR) do not currently monitor the delivery of specialist older persons' housing in the Borough. The *Knight Frank Senior Housing Update 2021* is however a useful reference in this respect and highlights the London Plan target for an additional 4,115 units of specialist older persons' housing per year across the capital up to 2029. Since the start of the London Plan timeline in 2017 however, only 3,000 seniors housing units have been delivered – less than the requirement for one year. There are a further 1,600 further units either under construction or with planning granted across Greater London, which will do little to address the shortfall.
- 2.2.10 In light of the urgent need to significantly increase the delivery of specialist older persons' housing in the Borough and across Greater London, we consider that it is imperative that the viability of these forms of development is careful robustly against planning obligations and policy requirements
- 2.2.11 Mindful of the guidance in the PPG that is the responsibility of site owners and developers to engage in the Plan making process. McCarthy Stone and Churchill Retirement Living have provided commentary and supplemental evidence on the viability assumptions used in the viability appraisals for sheltered and extra care older persons' housing typologies in the LPVS.

3. Viability Appraisal Inputs

3.1 Introduction

3.1.1 McCarthy Stone and Churchill Retirement Living have considered the inputs and assumptions used in the financial viability appraisals for older persons' housing in the *Barnet Local Plan Viability Study* (LPVS). A summary table has been provided in the table entitled: *Comparison of Appraisal Inputs* on page 8 this report.

3.1.2 Many of the inputs used in our appraisal of Sheltered and Extra Care housing typologies align with the methodology detailed in the *Briefing Note on Viability Prepared for the Retirement Housing Group* (hereafter referred to as the RHG Briefing Note) by Three Dragons. Where they differ is clearly stated in this report. A copy of the RHG Briefing Note has been provided as part of this submission.

3.2 Unit Sizes

3.2.1 Apartments for specialist older persons' housing tend to be larger than 'general needs' open market housing. The unit sizes used in our assessment are those recommended in the RHG Briefing Note.

RHG Briefing Note Recommended Unit Sizes

	1 bed	2 bed
Sheltered	50 m ²	75 m ²
Extra Care	60 m ²	80 m ²

3.3 Sales Values

3.3.1 Neither McCarthy Stone or Churchill Retirement Living have schemes selling within the Authority. The closest selling schemes are in Borehamwood, Hertfordshire or the London Borough of Harrow. Average sales prices in the London Borough of Barnet are higher by circa 27% and 17% than these areas respectively.

3.3.2 The sales values below are of the Extra Care development (referred to as a Retirement Living Plus) at Goldwyn House, Studio Way, Borehamwood which has been selling since August 2018.

Achieved Sales Values: Goldwyn House, Borehamwood

	£per m ²	Unit Price
1beds	£6,600	£363,000
2beds	£5,903	£472,240

3.3.3 Neither company has a current selling Sheltered Housing scheme in Barnet and to that end we have applied the RHG's 'rule of thumb' that Extra Care housing is 25% more expensive than Sheltered housing.

3.3.4 Our recommended sales values are detailed in the table below:

Older Persons' Housing Sales Values

	Unit size	Unit price	£psm
Sheltered 1bed	50	£314,300	£6,286
Sheltered 2 bed	75	£421,650	£5,622
Extra Care 1 bed	60	£461,010	£8,382
Extra Care 2 bed	80	£599,744	£7,496

3.4 Unit Mix

3.4.1 The RHG briefing note recommends a 60:40 split for 1bed:2 beds. We have used the recommended mix.

3.5 Base Build Cost

3.5.1 As per the guidance in the RHG Briefing Note we have applied the BCIS build costs for ‘supported housing’ in our financial viability appraisals for older persons’ housing.

3.5.2 We have correspondingly applied the median ‘generally’ build costs re-based to Barnet in our appraisals for older persons’ housing typologies which are £1,880 per m² as detailed in the excerpt below.

Excerpt from BCIS



£/m² study

Description: Rate per m² gross internal floor area for the building Cost including prelims.

Last updated: 31-Jul-2021 00:38

➤ Rebased to London Borough of Barnet (123; sample 32)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
843. Supported housing							
Generally (15)	2,019	1,029	1,703	1,880	2,199	4,120	132
Single storey (15)	2,339	1,463	1,867	1,994	2,490	4,120	17
2-storey (15)	2,028	1,029	1,702	1,853	2,256	3,617	40
3-storey (15)	1,853	1,032	1,686	1,788	2,040	2,726	47
4-storey or above (15)	2,083	1,268	1,675	1,923	2,138	3,965	25
843.1 Supported housing with shops, restaurants or the like (15)	1,925	1,231	1,622	1,843	2,023	3,233	31

3.5.3 As detailed in paragraph 4.18 of the LPVS base costs are increased by 10% to allow for external works and a further 6% for costs of meeting the energy requirements now embedded in Part L of the Building Regulations. A further 5% of build costs are allowed for a contingency.

3.6 Sales Rate

3.6.1 There are several specialist older persons' housing s developments currently selling within Bracknell Forest.

Address	Developer	Total Units	Units Sold	Units to Sell	Date of First Sale	Sales period to date.	Rate of Sale
Goldwyn House, Studio Way, Borehamwood	McCarthy Stone	53	41	12	August 2018	37months	1.1
Heath Lodge, Marsh Road, Pinner	CRL	30	20	10	June 2018	39 months	0.5
Rosen House, Hindes Road, Harrow	McCarthy Stone	29	22	7	August 2018	37 months	0.6
Randolph House, Northwick Park Road, Harrow	McCarthy Stone	49	39	10	August 2017	49 months	0.8

3.6.2 The scheme with the fastest rate of sale is Goldwyn House, Borehamwood. This is a 53 unit Extra Care scheme that has been selling since August 2018 (37 months) and has 12 units left to sell or let at the time of writing. The rate of sale does however typically slow down following the initial year after opening and we note only 6 units were sold in the entirety of 2020 with 1 recorded sales in 2021 at the time of writing.

3.6.3 A rate of sale of one unit per month, as per the RHG's best practice methodology, is considered by McCarthy Stone and Churchill Retirement Living to be, broadly speaking, an appropriate reflection of their sales rate nationally, albeit the rate of sale is lower presently.

3.7 Gross to Net

3.7.1 The RHG note stipulates a range of communal floor space between 20-30% of GIA for Sheltered and 35-40% of GIA for Extra Care.

3.7.2 McCarthy Stone & Churchill Retirement Living have however frequently disputed the range suggested by the RHG on this matter, contesting that a communal floorspace provision of under 25% is not representative of the sector. Our experience is that this percentage should be more than 25% of the proposed total area to cater for communal lounges, lodge manager office and guest rooms.

3.7.3 For Extra Care accommodation we would suggest that a minimum of 35% of GIA is allowed for non-saleable communal floorspace.

3.8 Benchmark Land Value

3.8.1 Our viability appraisals for both sheltered housing and extra care accommodation typologies are based on a 50-unit scheme. Older persons' housing typologies are typically built to a higher density and we have applied a density of 100dph on brownfield land with a resultant site size of 0.5ha.

3.8.2 We have determined the benchmark land value for the site in accordance with the values detailed in paragraphs 4.39 to 4.47 of the LPVS

Uses	BLV per hectare	BLV for Older Persons' Housing
Commercial	£10.25 million	£5.125 million
Industrial	£4.55 million	£2.275 million
Undeveloped // Infill Land	£1 million	£0.5 million
Publicly Owned Lane	£0.75 million	£0.375 million

3.8.3 Both companies frequently redevelop site assemblies comprising one or more large residential properties. We note that none of the development typologies in the LPVS tested this scenario.

3.9 Profit

- 3.9.1 The Local Plan Viability Study allows for a 18% profit margin. This does not conform with the recommendations of the RHG Briefing note, but the Planning Inspectorate has also consistently concluded that an acceptable return for risk in respect of retirement living proposals is not less than 20% of gross development value.
 - McCarthy and Stone proposal at Redditch (Appeal Ref: 3166677)
 - Churchill Retirement Living proposal at Cheam (Appeal Ref: 3159137)
 - Churchill Retirement Living scheme at West Bridgford (Appeal Ref: 3229412)

3.10 Empty Property Costs

- 3.10.1 Empty property costs are a function of council tax payable on finished unsold and empty property as well as the service charge which must be paid owing to longer than average sales periods for this type of proposal.
- 3.10.2 The London Borough of Barnet’s website details how the Council has applied the Council Tax Empty Property Premium. This advises that properties that are unoccupied are not entitled to any discount. Full council tax is payable on all properties unless specific circumstances apply. If a property should remain unoccupied for 2 years or more, an additional premium of 100% will be payable until such a time as the property is reoccupied. If a property is unoccupied for 5 years then an additional premium of 200% will apply.
- 3.10.3 A typical 50-unit scheme will take over 4 years to sell out and as such substantial monies will be paid in Council Tax over this period.
- 3.10.4 Residents of specialist older persons’ housing are also required to pay a service charge to pay for the upkeep of communal facilities and for staff costs. Service charges are higher for Extra Care accommodation because of the enhanced level of communal facilities and the increased staffing associated with on-site care. Staff and facilities need to be on-site and functional from when the first resident arrives and accordingly the companies subsidise the service charges of empty apartments while they are being sold. McCarthy Stone list their typical services charges on their website as follow:

McCarthy Stone – Typical Service Charge

	1 bed per week	2 bed per week
Sheltered	£48.93	£138.27
Extra Care	£73,36	£184.31

- 3.10.5 Empty property costs as a result of Council Tax and Service Charge payments are therefore a substantial cost for older persons’ housing. We have applied Empty Property Costs of £3k per unit of sheltered housing unit and £5k per unit of Extra Care accommodation.

3.11 Sales & Marketing Costs

- 3.11.1 Sales and marketing allowances for specialist housing proposals for older people are widely acknowledged to differ substantially from mainstream housing. This is due to the restricted occupancy and longer than average sales periods often extending over several years.
- 3.11.2 Sales and marketing activities in respect of this type of proposal are considerably more intensive and long running than mainstream housing and necessitate a sustained campaign with permanent sales staff on site over the course of typically years rather than months for mainstream housing.
- 3.11.3 The RHG Briefing Note advises that “Marketing costs are typically 6% of revenue compared with 3% of revenue for general needs houses and flats.” This has been supported by a recent appeal decision in Redditch Appeal Ref: 3166677.

3.12 CIL & s106 costs

- 3.12.1 The LPVS tested residential typologies against the CIL rate in the Council's replacement Draft Charging Schedule published in February 2021. Currently older persons' housing typologies, irrespective of use class, will be incorporated into the 'Residential' rate of £300 per m².
- 3.12.2 The Mayoral CIL rate in Barnet is a further £60 per m².
- 3.12.3 The LPVS also allows a s106 contribution of £1,500 per unit for residential development.

3.13 Costs of Implementing Policies

- 3.13.1 The *Barnet Local Plan Viability Study* considers the cost of compliance with local plan policies in Chapter 4: Appraisal Assumptions. We detail how these have been applied to the viability appraisals for older persons' housing below:

Electrical Car Charging Points – assumed at £1,500 per car parking space with an active charging point. Assumed parking provision of 16 spaces, so 4 charging points provided based on assumed provision of at least 1 in 5 spaces.

Biodiversity Net Gain – Provision of Green Roof as a proxy for a 10% uplift in biodiversity net gain with a cost of £150 per m². 50-unit scheme is considered to have a roof of circa 690m² with a resultant cost of £103,500.

Carbon Off-set & Climate Change - we note the scenarios detailed in Table 4.19.1 and have applied the baseline position of 1.48% of construction costs. This is considered conservative in our estimation.

Accessibility Standards – 45 of the units built to uplift M4(2) with an uplift of £924 per unit. 5 units built to M4(3) with the uplift of £7,908 per unit.

Comparison of Viability Inputs

	Sheltered Housing	Extra Care Accommodation
Sales Values	1bed - £6,286m ²	1bed - £8,362m ²
	2 bed - £5,622m ²	2bed - £7,496m ²
Unit Size	1bed – 50	1bed – 60m ²
	2 bed – 75	2 bed – 80m ²
Benchmark Land Values	Commercial - £5.125 million	Commercial - £5.125 million
	Industrial £2.275 million	Industrial £2.275 million
	Undeveloped / Infill - £0.5 million	Undeveloped / Infill - £0.5 million
	Publicly Owned Land - £0.375 million	Publicly Owned Land - £0.375 million
Dwellings per hectare	100dph Brownfield	100dph Brownfield
Dwelling Mix	60% 1-bed 40% 2-beds	60% 1-bed 40% 2-beds
No. of units	50	50
Site size	0.5 ha	0.5 ha
Build Period	12 Months	12 Months
Sales Period	50 Months	50 Months
Base Build Costs	£1,880 per m ² .	£1,880 per m ² .
Contingency	5% of base BCIS build costs	5% of base BCIS build costs
Externals	10% of base BCIS build costs	10% of base BCIS build costs
Part L costs	6% of base BCIS build costs	6% of base BCIS build costs
Gross to Net saleable	30%	35% of base BCIS build costs
Climate Change / Net Zero	1.48% of base BCIS build costs	1.48% of base BCIS build costs
Professional Fees	10% of base BCIS build costs	10% of base BCIS build costs
Finance Costs	6%	6%
Profit	20%	20%
Sales & Marketing	6%	6%
Empty Property Costs	£3k per unit	£5k per unit
S106	£1,500 per unit	£1,500 per unit
CIL	£360 per m ²	£360 per m ²
Electric Car Charging	£6,000	£6,000
Biodiversity Net Gain	£103,500	£103,500
Accessibility	M4(2) £41, 580 & M4(3) £39,540	M4(2) £41, 580 & M4(3) £39,540

4. Results

4.1 Older Persons’ Housing Typologies

- 4.1.1 The outputs of the viability appraisals for older persons’ housing typologies are summarised below for ease of reference. This FVA does not include any affordable housing as part of the appraisal and is therefore undertaken on the basis of a 100% private proposal.
- 4.1.2 We have assessed both Sheltered and Extra Care typologies against the Benchmark Land Values in Chapter 3.8 of this report).

	Sheltered	Extra Care
Commercial	- £6,468,398	-£4,154,688
Industrial	-£3,396,894	-£1,126,034
Infill	-£1,493,767	+£694,622
Public Land	-£1,381,863	+£820 507

- 4.1.3 The majority of the scenarios tested result in a substantial deficit against the benchmark land value, with only the extra care infill and public land scenarios generating a small surplus. As specialist older persons’ housing is located within 0.5 miles of a town or local centre, sites coming forward will typically comprise the redevelopment of former commercial or industrial premises, or more efficient use of larger residential plots. Such plots are unviable under the proposed framework of policy requirements and planning obligations.
- 4.1.4 Specialist older persons’ housing providers are already heavily reliant on factors that reduce the cost of development in order to bring specialist older persons’ housing coming forward such as the CIL liability being partially off-set by existing floorspace, achieving efficiencies in the build cost or achieving a lower level of profit.

4.2 Commentary on LPTVR Results

- 4.2.1 McCarthy Stone and Churchill Retirement Living find the basis on which the flat 35% affordable housing target for specialist older person’s housing is recommended across the Authority to be unjustified.
- 4.2.2 The results of the viability testing in *Chapter 6: Assessment of Appraisal Results* of the LPVS advises that 41 of the 50 sites tested were unable to deliver the affordable housing policy target of 35% affordable housing together with the other financial contributions including CIL on the Commercial Benchmark Land Value.
- 4.2.3 This aligns with our viability testing of older persons’ housing typologies in which the redevelopment of commercial and industrial land resulted in the greatest deficits. As the redevelopment of commercial and industrial opportunities are those that are most likely to come forward within or close to town or local centres, particularly for specialist older persons’ housing, the Council’s proposed planning obligations framework prejudices development in the Borough’s most sustainable locations.
- 4.2.4 The LPVS justifies the retention of a fixed affordable housing rate across the Borough as follow:

6.5 *These results indicate that the approach advocated by the NPPF of a fixed affordable housing percentage that is applied to all sites is unlikely to be workable in Barnet. Instead, a policy approach which seeks to maximise the level of affordable housing provided on each individual application site is required. This policy approach reflects London Plan policy, which implicitly accepts that not all schemes will be able to meet the 35% affordable housing ‘fast track’ requirement by offering a ‘viability tested’ alternative. The latter approach facilitates schemes that cannot meet the full 35% affordable housing requirement to come forward at reduced level, ensuring that these sites contribute towards housing supply in the wider sense, but also a contribution towards affordable housing need, albeit not at the full 35% level.*

6.6 *The alternative policy approach would be to adopt a fixed or ‘quota’ based approach to affordable housing, which is applied to every site regardless of individual scheme viability. There are two major issues with this approach. Firstly, the starting policy level would need to be set at a level that all sites*

can viably achieve which would necessarily be significantly lower than 35%. This would result in schemes that could have viably provided 35% affordable housing no longer doing so. Secondly, a fixed affordable housing percentage would prevent some sites coming forward for residential development at all (e.g. when sites have high existing use values). They would stay in their existing use or be developed for other uses.

6.7 *The appraisals therefore support the Council's emerging policy approach, but there is a need to explicitly acknowledge that viability issues on some sites may prevent some sites from achieving the full 35% affordable housing sought by policy.*

4.2.5 While we acknowledge the PPG does states that circumstances that justify the need for a viability assessment at application stage can include where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people) (Paragraph ID: 10-007-20190509). The guidance in the NPPF and the PPG is that the role for viability assessment is primarily at the Plan making stage:

Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force (paragraph 57.)

4.2.6 Council Members, Officers and the general public will assume that applications for sheltered / extra care accommodation, or in close proximity to town centres, will be able to support a policy compliant level (35%) of affordable housing. This would however be at odds with the viability evidence underpinning the Local Plan.

4.2.7 The PPG however advises that *'Different (affordable housing) requirements may be set for different types or location of site or types of development'* (Paragraph: 001 Reference ID: 10-001-20190509). We are strongly of the view that it would be more appropriate to set a lower, potentially nil, affordable housing target for sheltered and extra care development, particularly in areas close to town or local centres.

4.2.8 The Local Plan is therefore considered to be unsound on the grounds the affordable housing targets are not justified, positively prepared or effective.

5. Conclusion

5.1.1 Specialist older persons' housing typologies were not tested at all in the LPVS, which is atypical of viability evidence supporting emerging Local Plans in our experience and directly contrary to best practice. The affordable housing requirement for older persons' housing in *Policy HOU 01* is therefore entirely reliant on the viability testing of the London Plan.

5.1.2 The respondents as part of a Retirement Housing Consortium have consistently voiced their concerns about the affordable housing threshold approach and the viability evidence underpinning this in the London Plan.

5.1.3 As the Barnet Local Plan Review will be determined against the NPPF (2021), with its increased emphasis on robust viability assessments at the plan making stage, it is the Borough's responsibility to ensure its planning obligations regime is sufficiently robust and justified.

5.1.4 The evidence we have provided in our viability appraisals for Sheltered Housing and Extra Care Housing typologies, concludes that these forms of development should be exempt from affordable housing provision.